

Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

16 August 1985

Soviet Policy Options in the Middle East

Summary

Gorbachev's accession to power and the shift of authority to a new generation of leaders almost certainly will have an impact on Soviet policy in the Middle East. At a minimum, Soviet policy will be invigorated by the infusion of new personalities. New ideas and approaches should be generated and impetus given to existing policies. Shifts in emphasis and policy may well emerge over time. The new Soviet foreign minister will want to know why Soviet policy in the Middle East has not moved off dead center since the Soviet ouster from Egypt in the 1970s and will be looking for ways to improve Moscow's position. [redacted]

25X1

Because current Soviet policies have been carefully designed to advance Moscow's position in the complex environment of the Middle East, it is likely that these policies will remain generally consistent. But Moscow could intensify or modify many of them. It could repackage previous proposals with respect to an Arab-Israeli peace agreement, accompanying its initiative with a diplomatic offensive designed both to offset the current, US-backed, Jordanian-Palestinian effort and to court the Arab moderates. In the Persian Gulf, the Soviets could intensify

This memorandum was prepared by [redacted] of the Third World Activities Division, Office of Soviet Analysis. It has been coordinated with the Office of Near Eastern and South Asian Analysis. Questions and comments are welcome and may be addressed to the Chief, Third World Activities, SOVA [redacted]

25X1

25X1

SOV M 85-10149

25X1

25X1

pressure on the Iranian regime and step up efforts to improve relations with the conservative Gulf states. []

25X1

It is less likely that the new Soviet leaders will decide on significant changes in policy direction. They might decide to respond favorably to Iranian overtures, however, hoping for a breakthrough in bilateral relations. In the broader Gulf region, they could resume efforts to subvert conservative governments. While it is possible that Soviet policy could shift or change on a range of fronts simultaneously, it is more likely that each decision will be discrete, geared to perceptions of possible gains in specific situations. []

25X1

Factors Assisting and Inhibiting Soviet Progress

1. Shevardnadze's search for creative policy options will have to take into account a basically unreceptive environment. Over the years, the numerous factors working to limit Soviet advances in the Middle East have predominated. These include Moscow's inability to affect a solution to the Arab-Israeli dispute (in large part because it has no leverage with Israel), longstanding Arab antipathy to Communism and suspicion of Soviet intentions; Arab nationalism; and a lack of economic appeal. Despite 30 years of effort, Moscow does not have a client in the region that can compare with Cuba or Vietnam in terms of cooperation and compatibility. Only South Yemen and Afghanistan are headed by Marxist regimes, and there do not appear to be obvious candidates for leftist revolutions elsewhere in the region. []

25X1

2. There are also various factors working to Soviet advantage in the Middle East. The Arab-Israeli dispute, Israel's use of military force, and the close U.S.-Israeli relationship sustain Soviet offers of security assistance and enable Moscow to charge the United States with backing Israel and ignoring Arab interests. Other regional rivalries, such as the Iran-Iraq war, Syrian-Iraqi differences, Libyan-Egyptian tensions, North-South Yemeni disputes, as well as the national ambitions of leaders such as Qadhafi also provide the Soviets with an entree to the region. []

25X1

Possible Policy Options

3. Moscow has treated Syria as the key to its position in the Arab-Israeli context because Syrian policy is fundamentally compatible with that of the USSR and Syria is dependent on the Soviets for arms. On many issues, however, Soviet and Syrian interests differ and Moscow pursues policies that conflict with those of Damascus. The Soviets could decide that Syria's dependence on Soviet arms gives them sufficient room to maneuver

to justify new initiatives either with respect to the nature of an Arab-Israeli settlement or toward other key actors--Egypt, Jordan, the Palestinians, Lebanon, or Israel. They could:

- Undertake a new initiative with respect to a peace settlement designed to appeal to moderate Arabs (frustrated by the slow pace of negotiations) and further their own claims that they have a constructive role to play. (Brezhnev's original outline for a settlement of the conflict, advanced in 1981, has already been modified to include an acknowledgement of a new Palestinian state's right to form a confederation with Jordan). The Soviets could repackage their call for an international conference under UN auspices to address an overall settlement.
- Renew calls for US-Soviet cooperation (possibly at the summit in the fall) to help resolve the dispute and advance these calls more vigorously in Western Europe. The Soviets might hope that the French and other Europeans, anxious for a reduction of tension in the Middle East, would in turn put pressure on the United States to include the USSR in any discussions.
- Accompany a peace proposal with a renewed diplomatic offensive designed to distract attention from US efforts. There has not been a high-level Soviet visit to the Middle East since Gromyko traveled to Syria in 1980. Shevardnadze, who visited Algeria in 1984, might well put the Middle East high on his list of potential trips.
- Intensify efforts to improve relations with Egypt, hoping to discourage Egyptian leadership of a new moderate Arab coalition. While it is unlikely that Moscow would agree to forgive Egypt's military debt, given the unwanted precedent this would establish, it simply could proceed without resolving the issue. This might open the way for deliveries of spare parts and, possibly, the establishment of a military attache's office in Cairo.
- Resume efforts to court King Hussein, which were interrupted by his peace initiative and their own strong opposition to it. They could reissue their invitation for him to visit Moscow and offer further sales of sophisticated arms, following up on recent deals involving air defense systems.
- Increase support for the Arafat faction of the PLO, while supporting those leftist elements--the DFLP and the PFLP--that are seeking to pull Arafat away from the peace

process. They will certainly continue trying to arrange some accommodation between Syria and Arafat.

- Accelerate efforts to strengthen contacts with various political forces in Lebanon, particularly Walid Junblatt's PSP, and to bolster the Lebanese Communist Party in order to create future options independent of the Syrians.
- Take initiatives designed to improve communications with the Israelis by taking advantage of Tel Aviv's desire to increase the emigration of Russian Jews to Israel. Moscow would hope thereby to enhance its credibility as a participant in the negotiating process. [redacted]

25X1

4. Any of these steps would be opposed by Syria, particularly while the US-backed Hussein initiative remains extant. Should the initiative collapse, however, Moscow might believe that it could afford to distance itself from Syria and work to expand its options. It would certainly try to avoid having to make a choice between any of these initiatives and its relations with Syria. If forced to do so, however, it would continue to give priority to its Syrian ties. [redacted]

25X1

5. As long as the Hussein initiative is alive, the Soviets and Syrians retain a strong, mutual interest in undermining it and in maintaining pressure on those involved. While the Soviets apparently were unpleasantly surprised by Syria's movement of troops to the Jordanian border in 1980, they did not actively oppose the move and probably would acquiesce in such Syrian action again if Jordan were on the verge of reaching an accommodation with Israel. Moscow's own direct ability to prevent a settlement, however, remains as limited as its ability to attain a solution. [redacted]

25X1

6. In the Persian Gulf-Arabian Peninsula region, the Soviets continue to consider Iran and the conservative Gulf states, particularly Saudi Arabia, as major targets for future gain. The current Soviet line with respect to Iran and, more broadly, Islamic fundamentalism, is very negative, however. Whereas, in the early days of the Iranian revolution, the Soviet attitude toward fundamentalism was ambivalent and the potential for leftist gain was stressed, Soviet writing currently depicts fundamentalism as working against long-term leftist interests, both in Iran and in the region generally. [redacted]

25X1

7. The new Soviet leadership probably will continue to believe that the Islamic regime is hostile to Soviet interests and that increased pressure on the regime and active support for opposition elements seeking to undermine the regime is

warranted. The Soviets may calculate that Tehran will not turn to the West under any circumstances and that, consequently, the risk is negligible. Under this scenario, Moscow will not want to prop up the present regime by giving it economic, political, or military support of any kind. Instead it will:

- Continue to supply Iraq with large quantities of arms, both to strengthen its relationship with Baghdad and to weaken the Iranian regime.
- Maintain efforts to prevent Iran's acquisition of sophisticated weaponry.
- Remind Iran of the USSR's military capability, with cross-border activity on the Iran-Afghan border, continued statements that the military intervention provisions of the 1921 Soviet-Iranian Treaty remain in force, and increased activity by Soviet military forces in the Transcaucasus.
- Rebuild the Tudeh Communist Party, trying to link it to other leftist elements in Iran, in preparation for the next round in Iran's political evolution. [redacted]

25X1

8. In the broader Gulf region, the Soviets probably also will continue efforts to improve their bilateral ties to the conservative states of the region. The Iran-Iraq war has retarded their efforts as the Gulf states have looked to the West and to each other to bolster their security position. But Moscow will hope to capitalize on the view recently expressed by Bahrain's Prime Minister--that the Gulf states would benefit from having ties to both superpowers:

- Moscow could refloat initiatives such as its proposal for an international conference to discuss Persian Gulf security or its frequent calls for the establishment of nuclear-free zones--in the Persian Gulf or the Indian Ocean.
 - It could renew diplomatic efforts designed to draw the Gulf states, particularly Saudi Arabia, into a dialogue.
- [redacted]

25X1

9. It is less likely, but possible, that the new Soviet leadership will decide to change course, either in its policy toward Iran or the Gulf states--or both. It could respond to Iranian overtures positively, hoping for a real improvement in relations.

- Moscow could return its technicians to Iranian projects, be accommodating in economic talks, ease restraints on clients such as Libya and Syria with respect to arms deliveries, and agree to deliver some lesser weapon systems to Iran itself.
- The Soviets will continue arms deliveries to Iraq and will support Iraq's position on the war whether or not they respond favorably to Iranian gestures. Moscow might hope, however, that improved ties to Iran would give it more leverage with Baghdad, which has moved closer to the West and to the moderate Arabs in recent years. [redacted]

25X1

A shift in direction in the Gulf could involve a return to the use of subversion and insurgency against the conservative Gulf states. Although such activities undermine efforts to improve bilateral relations, the Soviets have frequently pursued such a two-track policy in the past. The hiatus in such activity since the 1970s has resulted from a number of factors--not least of which has been South Yemen's pursuit of respectability and economic assistance. [redacted]

25X1

[redacted] Soviets may agree with internal Yemeni critics that Aden's current policy has not paid off. Although they apparently still support President Hasani, who is unlikely to respond favorably to such advice, the Soviets might encourage South Yemen to reduce efforts to improve ties to its neighbors and to return instead to support for radical Gulf elements seeking to undermine existing regimes:

25X1

- Moscow could renew attempts to subvert Oman, urging South Yemen to resume active support for the Popular Front for the Liberation of Oman (PFLO).
- Similarly, the Soviets could encourage South Yemen's backing of military action by the National Democratic Front, directed against North Yemen. Moscow has subordinated such activity to its courtship of the North Yemeni regime in recent years, seeing its long-term leverage against Saudi Arabia best served by strengthening bilateral ties to Sanaa. Soviet concern that the North will be looking increasingly to the West because of recent oil discoveries by a US firm could prompt it to move back toward encouragement of subversion. [redacted]

25X1

11. In the Maghreb, the new Soviet leaders probably will continue efforts to maintain and improve relations with the region's diverse states, which are frequently at odds with each other. While their military relationship with Libya has been reinforced in recent years, bilateral ties have not yet received

the symbolic blessing of a Friendship Treaty. Algeria continues its economic drift toward the West, but maintains a satisfactory position (from the Soviet point of view) on most international issues and remains a major arms purchaser. And Moscow has close economic relations with the monarchical regime in Morocco. The Soviets are somewhat limited in their choice of policies by their desire to avoid unduly antagonizing any of these major regional actors. [redacted]

25X1

12. There are some policy options which Moscow might consider, however, hoping to capitalize on opportunities without undermining other interests. Moscow has typically been wary of tying its own policies too closely to those of the unpredictable Qadhafi, but it might decide that the potential for gain outweighs the possible losses. They could:

- Sign a Friendship and Cooperation Treaty with Libya. Libyan leader Qadhafi is scheduled to visit Moscow this fall and the signing of such a treaty at that time would suggest a greater Soviet commitment to Qadhafi and, possibly, to his efforts to destabilize neighboring states. This might also suggest increased Soviet support for the southern insurgency in the Sudan or for Libyan efforts to advance its interests in Chad. [redacted]
- Try to piggyback on Libyan policy in the Maghreb. Should Algeria continue to distance itself from the Soviet Union, Moscow could try to upgrade its relations with Morocco, exploiting the Libyan-Moroccan union and its own economic relationship with Rabat. [redacted]

25X1

25X1

13. Finally, the Soviets may make a greater effort to market their arms in the Middle East. Security assistance has been Moscow's most successful instrument for advancing its interests in the region, and arms have been one of the Soviet Union's most important hard currency earners. The trend in identified arms agreements may be moving down, however, as Soviet clients are experiencing economic difficulties, have become more demanding, or are dissatisfied with Soviet arms and wish to diversify. The Soviets could try to expand their sales by marketing newer weapons systems to clients who can pay. Rumors that MIG 29s may be going to Syria or that SA-5s will be delivered to Libya could be realized, and Moscow could try to sell such systems to other clients as well. [redacted]

25X1

DDI/SOVA/TWA: [REDACTED] (19 August 1985)

25X1

SUBJECT: Soviet Policy Options in the Middle East

Internal Distribution

Copy 1 - DCI
 2 - DDCI
 3- SA/DCI
 4 - ED/DCI
 5 - Executive Registry
 6 - DDI
 7 - Senior Review Panel
 8-12 - OCPAS/IMD/CB
 13 - Vice Chairman, NIC
 14 - NIO/USSR-EE
 15 - NIO/NESA
 16 - PDB Staff
 17 - ILS
 18 - C/DDO/SE [REDACTED]
 19 - C/DDO/NE [REDACTED]
 [REDACTED]
 21 - D/NESA
 22 - C/NESA/AI
 23 - C/NESA/AI/E
 24 - C/NESA/AI/I
 25 - C/NESA/AI/L
 26 - C/OGI/ISD/CA
 27-28 - D/SOVA
 29 - C/SOVA/RIG
 30 - C/SOVA/NIG
 31 - C/SOVA/SIG
 32 - C/SOVA/DEG
 33 - SA/SOVA/Goodman
 34 - C/TWA
 35 - C/TWA/RP
 36 - C/TWA/PP
 37 - C/TWA [REDACTED]
 38 - TWA Chrono

25X1

25X1

25X1

SUBJECT: Soviet Policy Options in the Middle East

External Distribution

White House

- Copy 39 - Donald Gregg
 Assistant to the Vice President
 for National Security Affairs
 White House
- 40 - Admiral John M. Poindexter
 Military Assistant, National Security Affairs
 White House

NSC

- 41 - Ambassador Jack Matlock
 Senior Staff Member, USSR-Eastern Europe
 Room 368, Old EOB
- 42 - John Lenczowski
 Director, European and Soviet Affairs
 Room 368, Old EOB
- 43 - Stephen Sestanovich
 Deputy Director, Policy Development and
 Political-Military Affairs
 Room 368, EOB

State Department

- 44 - Darryl Johnson
 Special Assistant to the Undersecretary
 for Political Affairs
 Room 7240
- 45 - Stephen Bosworth
 Chairman, Policy Planning Council
 Room 7311
- 46 - Lt. Gen John T. Chain
 Director, Bureau of Politico-Military Affairs
 Room 7327
- 47 - Robie M. Palmer
 Deputy Assistant Secretary of State for European and
 Canadian Affairs
 Room 6219

SUBJECT: Soviet Policy Options in the Middle East

State Department (Continued)

- 48 - Robert Gallucci
Director, Office of Regional Security Affairs
Bureau of Politico-Military Affairs
Room 7424, Department of State
- 49 - Mark Parris
Director, Office of Soviet Union Affairs
Bureau of European and Canadian Affairs
Room 4217
- 50 - Alexander Vershbow
Multilateral Relations
Office of Soviet Union Affairs
Bureau of European and Canadian Affairs
Room 4225
- 51 - Morton Abramowitz
Director, Bureau of Intelligence and Research
Room 6531
- 52 - Richard Clarke
Deputy Director, Office of Politico-Military
Analysis, INR
Room 6638
- 53 - Robert H. Baraz
Director, Office of Analysis for the Soviet Union
and Eastern Europe, INR
Room 4758
- 54 - Frank Crump
Chief, INR/SEE/FP
Room 4843
- 55 - David Satterfield
Office of Near Eastern and South Asian Affairs
Room 6244, Department of State
- 56 - James Balum
Director, NEA/IRN
Room 5246A
Department of State

SUBJECT: Soviet Policy Options in the Middle East

State Department (Continued)

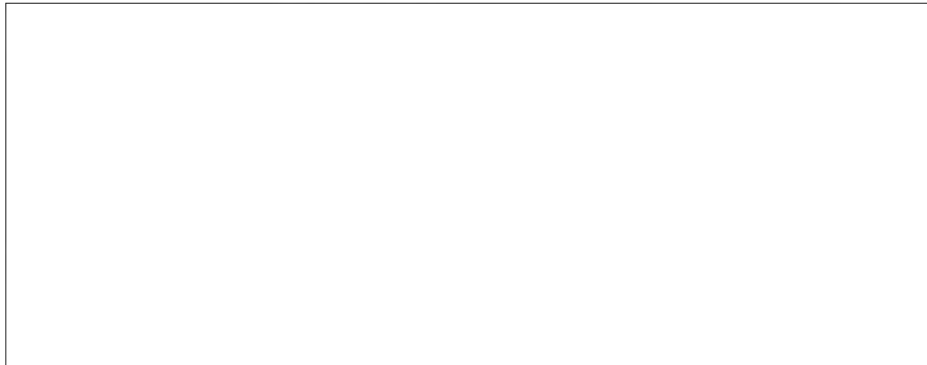
- 57 - George S. Harris
Director, Office of Analysis for Near East and South
Asia, INR
Room 4524A, Department of State
- 58 - Steve Grummon
INR/NESA
Room 4636, Department of State

Department of Defense

- 59 - Andrew W. Marshall
Director, Office of Net Assessment
Room 3A930, Pentagon
- 60 - Vice Admiral Arthur S. Moreau, Jr., USN
Assistant to the Chairman, Joint Chiefs of Staff
Room 2E782, Pentagon
- 61 - Deputy Assistant Secretary
Major General Edward Tixier
Room 4D765, Pentagon
- 62 - Principal Deputy Assistant
Secretary Noel C. Koch
OSD/ISA
Room 4E813, Pentagon
- 63 - Honorable Richard L. Armitage
Assistant Secretary of Defense
International Security Affairs
Room 4E808, Pentagon
- 64 - MG Kenneth D. Burns, USAF
Deputy Assistant Secretary of Defense
Near East and South Asian Affairs
Room 4D765, Pentagon
- 65 - COL Kenneth E. McKim, USAF
Acting Director, Near East South Asia Region
ISA/nesa
Room 4D765, Pentagon
- 66 - Director, DIA
3E258, Pentagon

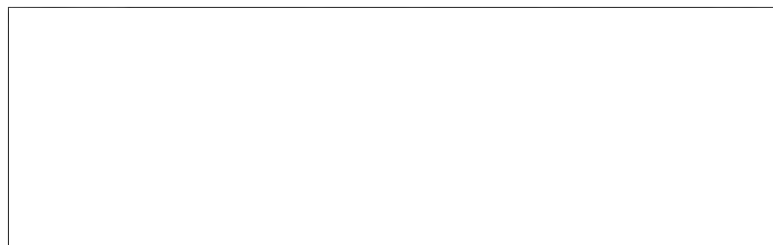
SUBJECT: Soviet Policy Options in the Middle East

Department of Defense (Continued)



25X1

70 - Major General William E. Odom
Assistant Chief of Staff for Intelligence
(DAMI-ZA), Room 2E466, Pentagon



25X1

- 73 - RADM John L. Butts, USN
Director of Naval Intelligence
(NOP-009)
Room 5C572, Pentagon
- 74 - Director, National Security Agency
U12/SA0
Fort George G. Meade, Maryland



25X1